

SAMHSA's Center for Financing Reform & Innovations (CFRI)

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The Center for Financing Reform and Innovations (CFRI) provides information, analysis, products, and technical assistance to address changes in the organization and financing of behavioral health care, and to guide Federal officials, States, Territories, Tribes, communities, and private payers on the most effective and efficient use of available resources to meet the prevention, treatment, and recovery support needs of the American public.

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National News

- **CBO lowers estimated federal cost of ACA by \$104 billion.** On April 14, the **Congressional Budget Office** (CBO) released its most recent [Updated Estimates of the Effects of the Insurance Coverage Provisions of the Affordable Care Act](#) report, estimating the gross federal cost of the ACA at \$1.383 trillion through 2024. The new estimate is down \$104 billion from the \$1.487 trillion estimate [reported](#) in February 2014. According to the report, the reduction is primarily due to lower estimates of subsidy spending for **Health Insurance Marketplaces**, which the CBO attributes to lower-than-expected insurance premiums and a decrease in the estimated cost of the Marketplace subsidies. Although the report does not estimate the savings produced by the ACA, a CBO [report](#) published in July 2012 projects that the law will produce net savings for the federal government ([Washington Post, 4/14](#); [New York Times, 4/15](#)).
- **CMS releases Medicare provider utilization and payment data.** For the first time, the **Centers for Medicare & Medicaid Services** (CMS) [released](#) provider-level Medicare utilization and payment data. The dataset covers calendar year (CY) 2012 and provides information on more than 880,000 providers that collectively received \$77 billion in Medicare payments. Released on April 9, the data is searchable by provider, specialty, location, service/procedure type, payments, and submitted charges. According to **U.S. Department of Health and Human Services** (HHS) **Secretary Kathleen Sebelius**, the data “afford researchers, policymakers, and the public a new window into health care spending and physician practice patterns” ([HHS, 4/9](#); [CMS, 4/9](#); [Washington Post, 4/9](#)).
- **HHS launches special Marketplace enrollment period for former PCIP enrollees.** Offered under a provision of the ACA that authorizes special enrollment for individuals who undergo life-altering events, on May 1, **HHS** launched a 60-day special enrollment period for former federal **Pre-existing Condition Insurance Plan** (PCIP) enrollees to obtain **Health Insurance Marketplace** coverage. HHS ended the PCIP program on April 30, following multiple extensions designed to give enrollees additional time to obtain Marketplace coverage ([Kaiser Health News, 4/25](#); [PCIP](#)).
- **CMS clarifies eligibility for Marketplace special enrollment periods.** On May 3, **CMS** released a [bulletin](#), clarifying that individuals eligible for **Consolidated Omnibus Budget Reconciliation Act** (COBRA) continuation health coverage, individuals whose health plans renew outside of the ACA open enrollment period, and individuals who participate in national service programs are eligible to purchase **Health Insurance Marketplace** plans outside of the open enrollment period. To ensure that COBRA-eligible individuals are aware of their coverage options, HHS, the **U.S. Department of Labor**, and the **U.S. Department of the Treasury** proposed a [rule](#) that would require employers to include information about special enrollment periods as part of their COBRA notifications ([CMS, 5/2](#); [California Healthline, 5/5](#)).
- **SAMHSA offers up to \$68.3 million for youth and young adult behavioral health services.** With funding from February’s federal omnibus budget bill ([HR 3547](#)), **SAMHSA** launched its first five grant programs under **President Obama’s “Now is the Time”** (NITT) initiative to expand mental health services for youth and young adults. Under the **Healthy Transitions: Improving Life Trajectories for Youth and Young Adults with, or at Risk for, Serious**

Mental Health Conditions (NITT-HT) program, SAMHSA is offering up to \$15.8 million to expand treatment and support services for individuals age 16 to 25 with, or at risk for, serious mental illness. Meanwhile, under **Project AWARE (Advancing Wellness and Resilience in Education) Local Educational Agency** (NITT-AWARE-LEA) and **Project AWARE State Educational Agency** (NITT-AWARE-SEA), SAMHSA will award state and local education agencies up to \$48.2 million to increase awareness of mental health issues among school-aged youth and connect clients with services. Finally, under the **Minority Fellowship Program-Youth** (NITT-MFP-Y) and the **Minority Fellowship Program- Addictions Counselors** (NITT-MFP-AC), SAMHSA will provide professional counselor organizations \$4.3 million to fund fellowships for culturally competent individuals seeking master's level behavioral health or addiction counselor degrees ([SAMHSA, 4/11a](#); [SAMHSA, 4/15a](#); [SAMHSA, 4/15b](#); [SAMHSA, 4/11b](#); [SAMHSA, 4/11c](#)).

- **SAMHSA to award up to \$96.7 million for youth suicide prevention.** On April 23, SAMHSA announced plans to award up to \$88.5 million in **Prevention and Public Health Fund-2014 Cooperative Agreements for State-Sponsored Youth Suicide Prevention and Early Intervention** (PPHF-2014), up to \$4.2 million in **Prevention and Public Health Fund-2014 Campus Suicide Prevention** (PPHF-2014 CSP) grants, and up to \$4 million in **Cooperative Agreements for Tribal Behavioral Health**. Under PPHF-2014, grantees will implement statewide or tribal youth suicide prevention and early intervention strategies, grounded in public/private collaboration. Meanwhile, PPHF-2014 CSP will help colleges and universities develop comprehensive approaches to student suicide prevention, and the tribal cooperative agreements will expand suicide and substance abuse prevention services among American Indian/Alaska Native youth ([SAMHSA, 4/23](#); [SAMHSA, 5/7](#); [SAMHSA, 4/24](#)).
- **SAMHSA offering up to \$68 million for services to individuals with or at-risk for HIV.** To integrate behavioral health and HIV services for racial/ethnic minorities, SAMHSA announced plans to award up to \$67 million for the **Minority AIDS Initiative Continuum of Care Pilot-Integration of HIV Prevention and Medical Care into Behavioral Health Programs**. Under the program, grantees will provide coordinated and integrated services through the co-location of behavioral health and HIV care. SAMHSA also announced plans to award a \$1 million **Cooperative Agreement for Workforce Development in Vietnam: HIV-Addiction Technology Transfer Center** (Vietnam H-ATTC) for one U.S.-based organization to help two universities in Vietnam develop programs to support behavioral health and HIV service integration ([SAMSHA, 5/8](#); [SAMHSA, 5/7](#)).

State News

- **Arizona approves state regulations for Marketplace navigators, Georgia ends navigator program.** On April 22, **Arizona Governor Jan Brewer** (R) signed a bill ([HB2508](#)) requiring **Health Insurance Marketplace** navigators to obtain state certification. Although HHS certifies navigators through the state's federally-facilitated Marketplace, under the bill, Arizona's navigators must also obtain state certification before providing assistance. Meanwhile, **Georgia Governor Nathan Deal** (R) signed a bill ([HB943](#)) requiring the **University of Georgia** to end its navigator program for the state's federally-facilitated Marketplace ([AP via KTAR, 4/16](#); [Modern Healthcare, 4/25](#); [Atlanta Business Chronicle, 4/30](#)).

- **Georgia and Kansas require legislative approval to enact Medicaid expansions.** In April, **Georgia Governor Nathan Deal** (R) and **Kansas Governor Sam Brownback** (R) signed bills ([HB990](#) and [HB2552](#), respectively) revoking their authority to implement an **ACA Medicaid expansion** without approval from their state legislatures. According to the *Kansas City Star*, the **Kansas Legislature** will not consider a Medicaid expansion before 2015 because the 2014 regular session has already ended ([AP via Augusta Chronicle, 3/18](#); [Kansas City Star, 4/18](#)).
- **Kansas and Nebraska approve autism coverage mandates.** On April 16, **Kansas Governor Sam Brownback** (R) signed a bill ([HB2744](#)) requiring health plans to cover autism treatment for children under age 12. Each year, plans must cover up to 1,300 hours of **applied behavioral analysis** (ABA) therapy for children up to age 5 and up to 520 hours of ABA for children ages 6 to 12. The bill requires non-grandfathered large-group plans to provide coverage by January 1, 2015 and all other non-grandfathered plans covering more than 50 employees to provide coverage by January 1, 2016. Meanwhile, on April 21, **Nebraska Governor David Heineman** (R) signed a bill ([LB254](#)) requiring most health plans to cover up to 25 hours of weekly autism treatment services for enrollees up to age 21. Plans offered through the state's federally-facilitated **Health Insurance Marketplace** are exempt from the mandate ([Office of Governor Brownback, 4/16](#); [Kansas City Star, 4/2](#); [Topeka Capital-Journal, 4/16](#); [AP via Lincoln Journal Star, 4/18](#)).
- **OR Marketplace adopts federal consumer portal, MA and MN to rebuild portals.** Citing ongoing technical issues and cost, **Oregon's Health Insurance Marketplace** announced plans to end its state-based consumer portal and use **Healthcare.gov**. According to the Associated Press, fixing Oregon's state-based portal would cost an estimated \$74 million, while switching to **Healthcare.gov** will cost \$4 million to \$6 million. Oregon's Marketplace awarded **Deloitte** a 45-day, \$3 million contract to develop the transition plan. Meanwhile, **Massachusetts** has contracted with **hCentive**—the company that built Colorado, Kentucky, and New York's portals—to develop a new consumer portal for its state-based Marketplace. According to Marketplace officials, if the new state-based portal is not ready by the open enrollment period for CY 2015, Massachusetts will use Healthcare.gov's portal. State officials estimate that Massachusetts' new portal will cost \$121 million. Finally, **Minnesota** issued **Deloitte** a \$5 million contract to identify and address numerous technical issues affecting the state-based Marketplace's consumer portal. Minnesota also launched a special enrollment period to run through May 15 for individuals affected by the portal's technical issues ([The Oregonian, 5/6](#); [The Oregonian, 5/8](#); [New York Times, 5/5](#); [Boston Globe, 5/8](#); [Twin Cities Pioneer Press, 4/16](#); [Twin Cities Pioneer Press, 4/29](#)).
- **California awards \$75.3 million to expand mental health crisis services.** Authorized under the [California Investment in Mental Health Wellness Act of 2013](#), on April 25, the **California State Treasurer's Office** (CSTO) awarded 20 counties \$75.3 million in grants to support mental health crisis stabilization efforts. According to the CSTO, the grants will fund 39 vehicles and 60 personnel for mobile support teams, as well as 827 residential and crisis stabilization beds. The CSTO provides detailed [information](#) on the awards and plans to award additional grants under the Act in the future. Meanwhile, the **California Department of Public**

Health developed and is seeking comment on its draft [Statewide Plan to Promote Health and Mental Health Equity](#) ([Los Angeles Times, 4/24](#); [CSTO, 4/24](#)).

- **California issues autism parity rule, court orders expansion of autism coverage.** To expand access to services for individuals with autism, the **California Department of Insurance** (CDI) issued a [rule](#) requiring insurers to cover **autism treatment services** at parity with general health services. According to the CDI Commissioner, California's 2011 [Autism Insurance Mandate](#) required insurers to cover autism treatment services; however, the law contained "loopholes" that allowed insurers to delay or deny claims. Under the new rule, insurers may not institute annual visit or dollar limits nor may they impose non-medically-necessary coverage requirements, such as only covering behavioral therapies administered by a medical doctor. Meanwhile, in an unrelated case, the **California Court of Appeals for the 3rd District** [ruled](#) that the **California Department of Managed Health Care** (CDMHC) must require all health plans under its jurisdiction to cover ABA therapy for individuals with autism ([Reuters, 4/16](#); [CDI, 4/16](#)).
- **Connecticut restores behavioral health funding, requires mental health crisis training for police.** On May 4, the **Connecticut General Assembly** approved a bill ([HB5596](#)), making numerous adjustments to the state's biennial budget that ends on June 30, 2015. Among the changes, the bill restores \$10 million of the \$15 million that had been cut from behavioral health providers' uncompensated care fund under the previous budget bill. According to the *Connecticut Mirror*, the **Connecticut Department of Mental Health and Addiction Services** (CDMHAS) had proposed the \$15 million reduction under the assumption that funding from ACA coverage sources would replace the state funds; however, recent CDMHAS analyses revealed that some providers would face major budget shortfalls if the reductions were fully implemented. The bill also provides \$4 million to increase Medicaid reimbursement rates for mental health services and requires police training programs to include **Crisis Intervention Team** (CIT) training. Currently offered to police officers on a voluntary basis, CIT training provides information on situations involving individuals with serious mental illness and individuals experiencing a mental health crisis. **Connecticut Governor Dannel Malloy** (D) is expected to sign the bill ([Connecticut Mirror, 5/2](#); [Connecticut Mirror 5/7](#); [Connecticut Mirror 1/24](#)).
- **New Hampshire delays substance abuse treatment expansion for current Medicaid enrollees.** Citing the need for additional public input, **New Hampshire Governor Maggie Hassan** (D) indefinitely postponed the plan to transition approximately 12,000 Medicaid enrollees with developmental disabilities from fee for service to managed care, under the state's [Medicaid State Plan Amendment](#). According to the *Concord Monitor*, the delay forced the **New Hampshire Department of Health and Human Services** (NHDDHS) to defer other planned changes to the Medicaid managed care system, including expanding substance abuse treatment services for current enrollees. NHDDHS had planned to expand substance abuse services to be comparable with those available to newly-eligible Medicaid enrollees under the ACA's **essential health benefit** requirements ([Concord Monitor 4/12](#)).
- **New Hampshire: Court rules hospital Medicaid tax unconstitutional.** On April 10, the **Hillsborough North County Superior Court** ruled that New Hampshire's **Medicaid Enhancement Tax** (MET) on hospital revenue violates the equal protection clauses of the state and U.S.

constitutions by applying exclusively to hospitals' patient revenue rather than patient revenue from all health care providers. Created in 1991, New Hampshire uses MET to supplement the state's Medicaid funds, draw down additional federal matching funds, and return those funds to hospitals. The **New Hampshire Office of the Attorney General** appealed the decision to the state Supreme Court, and the **New Hampshire Legislature** has introduced multiple bills to address the revenue shortfall caused by the decision. The lawsuit was filed by three hospitals that paid more tax than they received in reimbursements, following a Federal rule change in 2011 that forced New Hampshire to tie the reimbursements to Medicaid costs ([New Hampshire Union Leader, 4/11](#); [New Hampshire Union Leader, 4/15](#)).

- **New York: HHS approves \$8 billion Medicaid system transformation waiver.** On April 14, HHS [approved](#) the **New York Department of Health's** (NYDOH) five-year [Medicaid Section 1115 Research and Demonstration waiver](#), which will reinvest \$8 billion of the \$17.1 billion in federal savings created by the **Medicaid Redesign Team** (MRT) reforms. The MRT reforms are a series of spending initiatives adopted in 2011 that are projected to save \$34.3 billion in state and federal funds over the next five years. Under the waiver, NYDOH will invest \$6.42 billion to implement the **Delivery System Reform Incentive Payments** (DSRIP) program, which **New York Governor Andrew Cuomo** (D) says will promote community-level provider collaboration, system transformation, clinical enhancements, and improved health outcomes. Additionally, the program will aim to reduce avoidable hospital use by 25 percent over five years. Also under the waiver, NYDOH will provide \$1.08 billion for health homes, long-term care, health care workforce development, and behavioral health service expansion as well as \$500 million to support safety-net hospitals' transition to the DSRIP program ([Office of Governor Cuomo, 4/14](#); [AP via Wall Street Journal, 4/14](#)).
- **Ohio launches school-based substance abuse prevention program.** To expand school-based substance abuse prevention efforts, the **Ohio Office of the First Lady**, in collaboration with the **Ohio Governor's Office of Faith-Based Initiatives**, the **Ohio Department of Aging**, the **Ohio Department of Job and Family Services**, the **Ohio Department of Mental Health and Addiction Services**, and HHS, launched the [Start Talking!](#) Program. Funded by HHS' **Temporary Assistance to Needy Families**, the program provides funding and technical assistance to help schools implement evidence-based substance abuse prevention programs. Under its first allocation, the program awarded \$1.5 million in **Building Youth Resiliency** grants, targeting alcohol and substance use prevention among students in grades five through nine ([Columbus Dispatch, 4/8](#)).
- **Washington implements "no surprises" health insurance rule.** To increase transparency among health insurers, the **Washington State Office of the Insurance Commissioner** (WSOIC) finalized a [rule](#) requiring health insurers to provide enrollees with detailed information on all benefit arrangements, referral arrangements, authorization requirements, and other plan policies that could have financial implications. The rule also increases plans' provider network adequacy standards and prohibits insurers from issuing single-case contracts to cover services not included in plan networks. The rule applies to all individual- and small-group plans and takes effect January 1, 2015 ([Seattle Times, 4/28](#)).

Financing Reports

- **[“An estimated \\$84.9 billion in uncompensated care was provided in 2013; ACA payment cuts could challenge providers”](#)** *Health Affairs* 33(5): 807-814. Coughlin, T. et al. May 2014.
- **[“Benefits and cost sharing in separate CHIP programs”](#)** National Academy for State Health Policy (NASHP). Cardwell, A. et al. April 2014.
- **[“Data analytics for effective reform: How state Medicaid agencies are leveraging data for payment and delivery system innovation”](#)** National Association of Medicaid Directors. April 2014.
- **Employer-sponsored health insurance saw 8.2 million new enrollees in 2013.** **[“Changes in health insurance enrollment since 2013”](#)** RAND. Carman, K. & Eibner, C. April 2014 ([NBC, 4/8](#)).
- **[“Financing prevention: How states are balancing delivery system & public health roles”](#)** ChangeLabSolutions on behalf of NASHP. April 2014.
- **Health quality improvements required by ACA saved \$4 billion and 15,000 lives from 2012 to 2013.** **[“New HHS data shows major strides made in patient safety, leading to improved care and savings”](#)** HHS. May 7, 2014 ([HHS, 5/7](#)).
- **HHS rules streamlined ACA enrollment processes for individuals with disabilities.** **[“The Affordable Care Act’s impact on Medicaid eligibility, enrollment, and benefits for people with disabilities”](#)** Kaiser Family Foundation (KFF). Musumeci, M. April 8, 2014.
- **[“How is the ACA Impacting Medicaid Enrollment?”](#)** KFF. Wachino, V. et al. April 24, 2014.
- **[“Insurance cancellations in context: Stability of coverage in the non-group market prior to health reform”](#)** *Health Affairs* published online before print. Sommers, B. April 2014 ([CBS News, 4/24](#)).
- **Kansas: Medicaid expansion could produce \$300 million in new annual economic activity.** **[“Medicaid expansion: A pro-growth policy”](#)** Kansas Center for Economic Growth. April 2014 ([Kansas Health Institute, 4/22](#)).
- **Marketplace outreach spending: State-based Marketplaces spent three times more per person than federally-facilitated Marketplaces.** **[“Deciphering the data: State-based Marketplaces spent heavily to help enroll consumers”](#)** RWJF. Polsky, D. et al. April 2014 ([FierceHealthPayer, 5/1](#)).
- **Massachusetts provides inadequate funding for mental health services, NAMI finds.** **[“Way behind: Report on the state of mental health in 2014”](#)** National Association for Mental Illness Massachusetts. Stuhan, C. April 2014 ([WBUR, 4/7](#)).
- **[“Measuring changes in insurance coverage under the Affordable Care Act”](#)** KFF. Claxton, G. et al. April 30, 2014.
- **“Money Follows the Person” Medicaid waivers shift state funding toward home- and community-based services.**
 - **[“Money Follows the Person demonstration program: Helping Medicaid beneficiaries move back home”](#)** KFF. Watts, M. et al. April 25, 2014.
 - **[“Money Follows the Person: A 2013 state survey of transitions, services, and costs”](#)** KFF. Watts, M. et al. April 25, 2014.
 - **[“Maryland’s Money Follows the Person demonstration: Support transitions through enhanced services and technology”](#)** KFF. Watts, M. et al. April 25, 2014.

- [“Tennessee’s Money Follows the Person demonstration: Supporting rebalancing in a managed long-term services and supports model”](#) KFF. Watts, M. et al. April 25, 2014.
- **New York claimed \$60.8 million in unallowable Medicaid expenses from FY2009 through FY2011.** [“New York claimed unallowable room-and-board costs under its developmental disabilities waiver program”](#) HHS Office of the Inspector General (OIG). May 6, 2014.
- [“Profiles of Medicaid outreach and enrollment strategies: The Cook County early expansion initiative”](#) KFF. Artiga, S. April 7, 2014.
- [“The best evidence suggests the effects of the ACA on employment will be small”](#) Urban Institute. Garrett, B. & Kaestner, R. April 2014.
- [“The cost savings of expanding Medicaid eligibility to include currently uninsured homeless adults with substance use disorders”](#) *Journal of Behavioral Health Services & Research* 41(2): 110-124. Zur, J. et al. April 2014.
- [“The role of integrated service delivery models in addressing the needs of adults and children with behavioral health conditions”](#) National Association of State Mental Health Program Directors. Miller, J. & Gordon, S. April 2014.
- [“U.S. health spending trends by age and gender: Selected years 2002–10”](#) *Health Affairs* 33(5): 815-822. Lassman, D. et al. May 2014.